



**The Education Committee of the
National Federation of Municipal Analysts**

**ADVANCED SEMINAR
ON
PUBLIC POWER**

**October 27 & 28, 2016
W Seattle
Seattle, Washington**

PROGRAM

Wednesday, October 26

1:00 – 5:00 p.m. **Pre-Seminar Analysts' Forum with Washington Revenue Bond Issuers**
Major revenue bond issuers located in Washington, including the State of Washington and local public power, water and sewer, and transportation issuers will provide short presentations focused on the financial performance, credit issues and debt plans of their respective municipal debt programs. The Pre-Seminar Forum will also provide an opportunity for analysts to interact with revenue bond issuers.
Optional/complimentary program – registration required.

Facilitator: *Mark Stockwell, Vice President, SNW Asset Management*

Confirmed Participants: *Representative, State of Washington; Representative, Port of Seattle*

Thursday, October 27

7:30 – 8:00 a.m. **Registration and Continental Breakfast**

8:00 – 8:15 a.m. **Opening Remarks** – *Ty Schoback, Columbia Threadneedle Investments, Advanced Seminar Chairperson; Renee Dougherty, Charles Schwab Investment Management, Advanced Seminar Co-Chairperson*

8:15 – 9:30 a.m. **Nu-cle-ar or New-cle-ar: The Latest Developments in the Nuclear Industry**
This panel will offer an update on the progress of large nuclear projects under construction as well as insight into exciting ideas for new development. We will hear from market participants involved in recent transactions that financed the ongoing construction of the two large nuclear projects in development in the Southeast. We will also hear from the future public power owner and the designer/manufacturer of a new smaller-scale, modular reactor design which offers load-following capabilities to support growing renewable resources as part of the utility's "Carbon Free Plan".

Moderator: *John Jordan, Managing Director, National Public Finance Guarantee Corporation*

Panelists: *Hiran Cantu, Director, Barclays; Doug Hunter, Chief Executive Officer, Utah Associated Municipal Power Systems & Immediate Past Chair, American Public Power Association; Chris Colbert, Chief Strategy Officer, NuScale Power*

9:30 – 9:45 a.m.

Break

9:45 – 11:00 a.m.

Revenue Resiliency: How Predictable are Utility Revenues?

Determining a utility's revenue consistency is key to evaluating any public power utility. There are a number of dynamic influences in this industry given the pace and scope of regulatory, market and technology change as well as the traditional variable factors of weather and fuel prices. This panel aims to bring together a discussion of these various issues with an eye towards what really matters to analysts: a utility's revenues stream and its bottom line. How do utilities design their rate structures to protect against usage variability and expenditure movement? What elements of rate structure should analysts focus on while trying to assess the potential for unexpected revenue decline? For utilities with a large percentage of wholesale sales or purchases, how reliable are these revenues given market price movements? Join market participants for a discussion of the factors that influence revenue resiliency.

Moderator: *Kathy Masterson, Senior Director, Fitch Ratings*

Panelists: *Jeff Peltola, Chief Financial Officer, Los Angeles Department of Water & Power; Andrew Rae, Managing Director, Navigant; Jeff Fuller, Director of Member Services, The Energy Authority*

11:00 – 11:15 a.m.

Break

11:15 a.m. –
12:30 p.m.

Distributed Generation: In Front of the “Behind the Meter” Trend

New generation technologies have thrust the public power sector into a period of change. What does the distributed generation trend mean for utility credit-worthiness? How does it affect load projections, revenue growth, and rate structures? How are public power utilities adjusting? How does the DG trend evolve? We will cover these and related topics in a discussion of distributed generation that draws on experts from various areas.

Moderator: *Ryan Greene, Senior Vice President, Wells Fargo Bank*

Panelists: *Sephir Hamilton, Engineering & Technology Innovation Interim Officer, Seattle City Light; John Winter, CFO and Director of Finance & Accounting, Southern Minnesota Municipal Power Agency; Maud Texier, Sr. Product Manager, Tesla Energy*

12:30 – 1:45 p.m.

Luncheon

2:00 – 3:15 p.m.

Regional Transmission Organizations: Power Supply Certainty or Wolf at the Door?

The evolving restructured regional power markets cover more than one-half of the nation's electricity sales through organizations such as the Electric Reliability Council of Texas (ERCOT), California Independent System Operator (Cal ISO), Southwest Power Pool (SPP), Midcontinent Independent System Operator (MISO), and PJM.

Each has common elements but different approaches to administrating these markets. This panel will explore what analysts need to know about the regional power markets as well as the related risks, opportunities and specific impacts to the credit quality of public power utilities. Topics will include trade execution risk, market failure uncertainties, pressure on development of new generation, and cost recovery for existing base load generation.

Moderator: *Dan Aschenbach, Senior Vice President, Moody's Investors Service*

Panelists: *Richard Williams, Chief Financial Officer, Lower Colorado River Authority; Patrick McGarry, Managing Director of Midwest Trading, The Energy Authority; Derick Dahlen, CEO & President, Avant Energy*

3:15 – 3:30 p.m.

Break

3:30 – 4:45 p.m.

Renewable Energy: Not Just for Hippies Anymore

The global power market is transforming. Coal, which accounted for over 50% of domestic energy production as recently as 2001, represented just 33% of the total electric supply in 2015. Spurred on by improving economics and environmental regulation, renewable energy has replaced a large portion of this lost generation. In 2015, the U.S. met approximately 13.3% of its total energy requirements through renewable resources, with renewables' share of energy production only expected to grow moving forward. How do utilities expect to address the growing demand for renewable energy? This panel will focus on trends within the renewable space and financing options for municipally-owned utilities. In addition, the panel will present some of the challenges to bringing alternative energy projects to the municipal market, and how analysts should think about credit quality when reviewing these deals.

Moderator: *Vander Shanholt, Vice President, Franklin Templeton Investments*

Panelists: *Jim Heidell, Director, PA Consulting Group; Tyler Henn, Vice President of Finance & Environmental Commodities, Clean Energy Renewables; David Rousseau, President, Salt River Project (invited)*

5:00 – 6:00 p.m.

Cocktail Reception

Friday, October 28

7:30 – 8:00 a.m.

Continental Breakfast

8:00 – 8:45 a.m.

Keynote Speaker: *Sue Kelly, President & CEO, American Public Power Association*

8:45 – 9:45 a.m.

An Early Adopter of Change: California Dreaming?

California's pursuit of affordable, reliable and renewable power has been a tumultuous one. Following deregulation and the Energy Crisis of 2000-01, its energy market has been the epicenter of change – specifically legislated change – as an early adopter of greenhouse gas limits enforced through a cap-and-trade market, renewable energy mandates and regulations prohibiting new coal-based energy contracts and the closure of nuclear facilities. California is one of the pioneer states that became dependent on an independent system operator (a RTO) for organized electricity markets. In spite of this continuous evolution, California remains challenged by above-average wholesale rates, pressured supply, the risk of rolling blackouts during peak demand periods, and a highly politicized system dependent on political decision making. This panel will

discuss the current state of public power in California, the ‘woes & cons’ of renewable energy, the climate for new generation construction, and highlight what municipal credit analysts should be mindful of when analyzing California utility credits.

Moderator: *Mike Taylor, Vice President, Sentinel Investments*

Panelists: *Jim Tracy, Chief Financial Officer, Finance & Enterprise Planning, Sacramento Municipal Utility District; Michael Bell, Interim Executive Director, California Municipal Utilities Association (invited)*

9:45 – 10:00 a.m. **Break**

10:00 – 11:00 a.m. **Natural Gas vs. Coal: You’ve Heard the Hype but What are the “Coal Hard” Facts?**

Fracking in the U.S. has caused a paradigm shift in the energy world. As a result, natural gas is expected to remain cheap for the foreseeable future. This has caused, and will continue to cause, a major disruption in capacity and electric markets, where natural gas generation is displacing coal generation at a record pace. How does this new energy paradigm affect public power entities? We will hear from a thought provoking industry expert as well as two senior officials from large public power entities who will address this new paradigm and how it affects their organizations.

Moderator: *John Murphy, Senior Research Analyst, Fidelity Investments*

Panelists: *Marc Gerken, CEO, American Municipal Power; Frank Almaraz, Vice President of Strategy & Commercial Operations, CPS Energy; Kamal Patel, Corporate Utility and Power Analyst, Wells Fargo*

11:00 – 11:15 a.m. **Break**

11:15 a.m. –
12:15 p.m.

Federal Emission Regulations: Greener Pastures or Brownouts?

Groundbreaking federal and state regulatory initiatives are placing stringent controls on power plants' greenhouse gas emissions. Against this backdrop, public power utilities are very heterogeneous and the rules' impacts on these utilities could vary greatly. The diversity of individual utilities' generation fleets ranges from those that principally use carbon-free hydroelectric resources to utilities that rely almost exclusively on carbon-intensive, coal-fired resources. Our panelists will discuss the extent to which the public power utilities sector could be adversely affected by the federal emissions regulations, the options available for meeting the regulatory standards, estimates of compliance costs, reliability considerations and the impacts on retail consumers.

Moderator: *David Bodek, Senior Director, S&P Global Ratings*

Panelists: *Steve Johnson, Sr. Vice President & Chief Financial Officer, Basin Electric; Other panelist, TBA*

12:15 p.m. **Seminar Adjourns**

The views expressed at the Advanced Seminar are those of the panelists alone and do not necessarily represent those of the National Federation of Municipal Analysts.

EDUCATION CHAIR

Scott Andreson, Seix Investment Advisors

ADVANCED SEMINAR CO-CHAIRS

Ty Schoback, Columbia Threadneedle Investments

Renee Dougherty, Charles Schwab Investment Management

REGISTRATION

Registration for the seminar is \$450 for full members of the NFMA and its Constituent Societies and \$550 for non-members, which includes the pre-seminar (if included in registration), two continental breakfasts, one luncheon and the cocktail reception. A limited number of discounted registrations for government employees and students are available; inquiries should be directed to Lisa Good at 412-341-4898, or lgood@nfma.org. Registration is online only at www.nfma.org. The deadline for registration is October 14, 2016. Cancellations will be accepted through October 14, 2016; a \$50 processing fee will be applied regardless of the reason for cancellation. Beginning October 15, 2016 there will be no refunds; however, substitutions from the same firm will be accepted. If weather conditions prevent attendance, proof of flight cancellations must be provided and a partial (50%) credit will be given to be applied to registration for a future NFMA event.

HOTEL

The NFMA reserved a block of rooms at the W Seattle, 1112 4th Avenue, Seattle, Washington, for registrants at the group rate of \$259/night. Please call 1-888-627-8552 and identify yourself as a participant in the National Federation of Municipal Analysts Advanced Seminar to receive the group rate. You may also go to the Stargroups website to make reservations: [NFMA Fall Advanced Seminar Room Block](#) (OR copy and paste the following link into a web browser)

<https://www.starwoodmeeting.com/events/start.action?id=1606166098&key=3004071B>

Please see your hotel confirmation for information on early/late checkout, deposits and cancellations. The room block closes on Wednesday, October 5. The room block is limited; please reserve early.

ATTIRE

Business casual is acceptable for the seminar.

TRANSPORTATION

Airline transportation is via Seattle/Tacoma International Airport (SEA). Travel Distance from the airport to the hotel is approximately 15.0 miles. Options for getting to and from the hotel include:

- Taxi: Approximately \$40
- SoundTransit Link Light Rail: \$2.25 (45 minute travel time)
- Central Link light rail: Board the Link at SeaTac airport, and proceed 12 stops to University Street station. Look for the 3rd and Seneca exit. The hotel is within one block.
- Shuttle Express: \$19 for the first person and \$8 for each additional person. A \$5 total discount is offered when round trip reservations are made. Contact: (425) 981-7000; Reservation Required.
- SpeediShuttle Seattle provides shared ride transportation in a fleet of Mercedes Shuttles at a rate of \$15.99 one way, \$30.38 round trip (10% discount on return leg when booked together). Guests with prearranged arrival reservations are met in SeaTac's baggage claim area by an agent holding a tablet with the name "NFMA 2016" then directed to their waiting shuttle. Vehicle amenities include complimentary Wi-Fi, Speedi HDTV, seating for up to eleven guests, 6'1" headroom, three point seat restraints, adjustable headrests, roomy comfortable seats, and a large cargo area.

<https://www.speedishuttleseattle.com/group-reservations?id=NFMA4707>.

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